



General Assembly

February Session, 2012

Raised Bill No. 5285

LCO No. 1126

01126_____HS_

Referred to Committee on Human Services

Introduced by:
(HS)

***AN ACT ADJUSTING COMMUNITY HEALTH CENTER RATES FOR
CAPITAL INVESTMENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-349 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2012*):

4 (a) The rates paid by the state to community health centers and free-
5 standing medical clinics participating in the Medicaid program may be
6 adjusted annually on the basis of the cost reports submitted to the
7 Commissioner of Social Services, except that rates effective July 1, 1989,
8 shall remain in effect through June 30, 1990. (1) Beginning with the rate
9 period commencing on October 1, 2012, and ending September 30,
10 2013, the Commissioner of Social Services may add, if applicable, a
11 capital cost rate adjustment to a community health center's rates equal
12 to the center's actual or projected year-to-year increase in total
13 allowable depreciation and interest expenses associated with capital
14 costs divided by projected service visit volume. For the purposes of
15 this section, capital costs are expenditures for land or building
16 purchases, fixed assets, movable equipment, capitalized financing fees

17 and capitalized construction period interest. Such capital cost rate
18 adjustment shall be subject to retroactive revision based on actual
19 allowable depreciation and interest expenses or actual service visit
20 volume for the rate period. (2) The commissioner shall establish
21 separate capital cost rate adjustments for each Medicaid service
22 provided by a center. (3) The commissioner shall not grant a capital
23 cost rate adjustment to a community health center for any depreciation
24 or interest expenses associated with capital costs that were
25 disapproved by the federal Department of Health and Human
26 Services, the Office of Health Care Access within the Department of
27 Public Health, or another federal or state government agency with
28 capital expenditure approval authority related to health care services.
29 (4) The commissioner may allow actual debt service in lieu of
30 allowable depreciation and interest expenses associated with capital
31 items funded with a debt obligation, provided debt service amounts
32 are deemed reasonable in consideration of the interest rate and other
33 loan terms.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	October 1, 2012	17b-349(a)
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Statement of Purpose:

To adjust rates paid by the state to community health centers for capital investments made by the centers.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]